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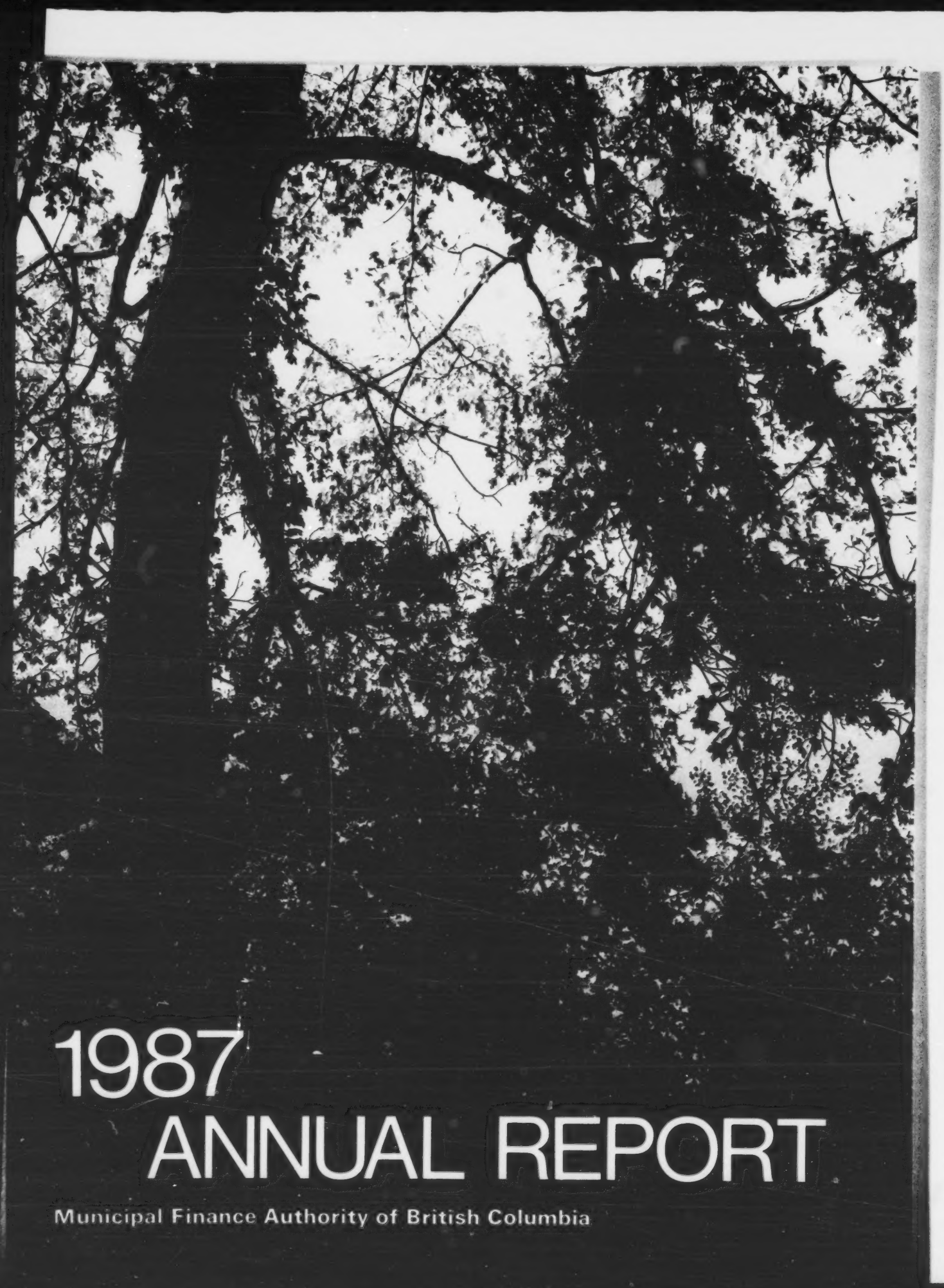

1987 ANNUAL REPORT

Municipal Finance Authority of British Columbia

Municipal Finance Authority of British Columbia

200 INTERNATIONAL HOUSE, 880 DOUGLAS STREET, VICTORIA, B.C. V8W 2B7

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FRONT COVER

Fall Scene, East Kootenay Regional District *Courtesy Province of B.C.*

Hudson Bay Mountain, Bulkley-Nechako Regional District *Courtesy Province of B.C.*

MUNICIPAL FINANCE AUTHORITY OF BRITISH COLUMBIA

Financial Highlights

MILLIONS OF DOLLARS

	1987	1986
AT DECEMBER 31:		
Total assets—combined funds	1,357	1,371
Loans to Regional Districts outstanding	1,124	1,128
Long-term debt outstanding	1,202	1,220
Sinking funds	81	67
Long-term debt, net	1,121	1,153
Debt Reserve Fund	125	115
Investments (including sinking funds)	217	205
IN THE YEARS ENDED DECEMBER 31:		
New loans to Regional Districts	42	49
Loan repayments from Regional Districts	46	44
New debt issued	163	97
Debt retired	181	68
Interest from investments	22	20
Interest paid	137	140

Members and Officers — 1987

MEMBER	REGIONAL DISTRICT
H. Anderson	*Alberni-Clayoquot Regional District*
G. E. McFee	*Bulkley-Nechako Regional District*
H. F. Sturrock	*Capital Regional District*
N. L. Sealey	*Capital Regional District*
R. Crosina	*Cariboo Regional District*
B. Roe	*Central Coast Regional District*
L. C. Fowler	*Central Fraser Valley Regional District*
G. B. Cady	*Central Kootenay Regional District*
J. H. Stuart	*Central Okanagan Regional District*
G. Abbott	*Columbia-Shuswap Regional District*
K. A. Hudson	*Comox-Strathcona Regional District*
M. Robertson	*Cowichan Valley Regional District*
D. R. Sharpe	*Dewdney-Alouette Regional District*
H. Tapp	*East Kootenay Regional District*
L. Forman	*Fraser-Cheam Regional District*
A. Stauble	*Fraser-Fort George Regional District*
D. A. Ross	*Greater Vancouver Regional District*
D. T. Driscoll	*Greater Vancouver Regional District*
J. E. Loucks	*Greater Vancouver Regional District*
D. A. S. Lanskail	*Greater Vancouver Regional District*
E. Burnett	*Greater Vancouver Regional District*
G. J. Blair	*Greater Vancouver Regional District*
J. Talstra	*Kitimat-Stikine Regional District*
B. Brash	*Kootenay Boundary Regional District*
G. Popovich	*Mount Waddington Regional District*
M. Jiggins	*Nanaimo Regional District*
E. Shipmaker	*North Okanagan Regional District*
D. R. McDougall	*Okanagan-Similkameen Regional District*
R. Petrick	*Peace River-Liard Regional District*
H. Gruber	*Powell River Regional District*
P. J. Lester	*Skeena-Queen Charlotte Regional District*
R. D. Cumming	*Squamish-Lillooet Regional District*
J. Gurney	*Sunshine Coast Regional District*
J. B. Smith	*Thompson-Nicola Regional District*

BOARD OF TRUSTEES

J. H. Stuart, CHAIRMAN
R. D. Cumming
J. E. Loucks
G. E. McFee
D. A. Ross
A. Stauble
H. F. Sturrock

OFFICERS

CHAIRMAN:
J. H. Stuart

ACTING CHAIRMAN:
R.D. Cumming

SECRETARY-TREASURER:
J. R. Craven

DEPUTY SECRETARY-TREASURER:
W. C. Greer

AUDITORS

PEAT MARWICK
VANCOUVER, B.C.

SOLICITORS: BOND COUNSEL

FARRIS, VAUGHAN, WILLS & MURPHY
VANCOUVER, B.C.

SOLICITORS: GENERAL COUNSEL

COX, TAYLOR, BRYANT
VICTORIA, B.C.

Chairman's Report — 1987

TO THE MEMBERS OF THE MUNICIPAL FINANCE AUTHORITY OF BRITISH COLUMBIA

PHOTO: GLEN ROBINSON

James H. Stuart
CHAIRMAN

It is my pleasure and privilege to submit the seventeenth annual report of the Municipal Finance Authority of British Columbia.

Borrowing in the year 1987 was conducted in a highly charged uncertain atmosphere. Rates eased through March; took an erratic upward course until October 19th, fell abruptly after the stock market crash; and seem to be strengthening again. There were occasional windows of opportunity, but generally the atmosphere was characterized by an overriding fear that the long post-recession recovery of the 1980's was finally running out of steam. This seemed to be hotly denied by the performance of the stock market which continued making strides in value throughout the year until mid-October when uncertainty gave way to conviction that the time had come to sell.

World markets reacted swiftly to the failure of the U.S. government to reach some accord over the size of their deficit and over the failure of the Gramm-

Rudman Bill to actually make a difference. Investors seriously questioned the value of their U.S. dollar denominated investments and panic set in. The work done over the years to connect world markets in a network of intelligence; to gather information world wide in a system of computer-operated strategies, screens and highly trained staff provided all of the fuel needed to generate a computer operated selling frenzy. The stock markets of the world lost major values as shown:

The Change from October 16th to October 28th—

	STOCK MARKETS	INTEREST RATES (10 YR. GOVT. BONDS)
Tokyo	-14%	Japan 6.4%-5.7%
London	-29%	Britain 10.5%-9.5%
Frankfurt	-20%	West Germany 7.2%-6.7%
Paris	-25%	France 11.0%-10.2%

In the United States and Canada, over the same period the following occurred:

STOCK MARKET		INTEREST RATE (10 YEAR GOVT. BONDS)
S & P 500	-22%	United States 10.41%-8.93%
T.S.E.	-21%	Canada 11.18%-9.75%

Such declines mean an increase in the value of the MFA investment portfolios and the possibility of lower interest rates in 1988, but the results of the rapid loss in perceived stock value also impacts on future capital expenditure in British Columbia. It has already caused the delay of the Port Alberni Pulp Mill expansion.

Immediately after the stock market crash, some dire predictions were made, but perhaps early fears of an immediate recession were overdone. As of late December, buoyant economic indicators in Canada and the United States persist. Agreement on the U.S. deficit, a lower price for oil, and reasonable consumer confidence could bode well for the year 1988.

Enthusiastic support to our short-term investment pool has set the stage for draft legislation which we hope will be passed by the spring of 1988. The reserves and surplus funds of participating municipalities can then be pooled under the administration of a single manager. The authority intends to contract out this function. It will be a separate part of our operation and will not impinge on our present excellent credit rating.

Our remaining U.S. pay debt is slowly reaching maturity, and lately the Canadian/U.S. dollar ratio has been improving. Since 1985, we have seen a rise of the Canadian dollar and this has improved the cost of our U.S. pay loans.

Our present debt is 77.34% in Canadian funds; 22.17% in U.S. funds; Swiss Francs 0.38%, and Deutschemarks 0.11%. This compares favourably with 10 years ago when the percentages read as follows: 46.10% in Canadian funds; 49.63% in U.S. funds; 3.30% in Swiss Francs; and 0.97% in Deutschemarks.

Several new factors emerged this year which could change financial relationships over time. It remains to be seen what effects, if any, are felt during 1988 as a result of trade negotiations. The blurring of the relationships between banks and investment dealers that occurred in 1987 will have its effect. Most major Canadian firms are negotiating some type of merger or sale to a major bank in Canada or the United States. The new relationships and larger capitalizations will affect the way we do business in the coming year.

At the close of 1987, long-term debt outstanding was $1.2 billion. During 1987 payments of principal and interest in excess of $190 million were received from our regional districts and municipalities. At December 31, 1987, investments managed totalled $217 million, broken down as follows:

Debt Reserve Fund $39.1 million.

Sinking and Related Debt Servicing Funds $177.9 million.

Interest earnings in 1987 totalled $21.9 million.

The types of investments which may be held by the Municipal Finance Authority are regulated by our act. At December 31, 1987 our portfolio consisted of $45.2 million of securities of/or guaranteed by the government of Canada, $56.5 million of securities of/or guaranteed by provincial governments, $68.9 million of securities of/or guaranteed by Canadian chartered banks, $1.3 million of securities of B.C. credit unions, $6.3 million of securities of municipal governments in Canada and $38.8 million of obligations of the Municipal Finance Authority.

Your trustees were active in the bond markets on three occasions in 1987. Early in March the board called Euro-Canadian issue No. 24—$24 million 10.25% bond and replaced the issue with a 7 year $14 million serial debenture. Interest rates on the old issue ranged from 10.25% for the 10 year term to 10.725% for the 25 year term. The replacement issue was charged to the members at 9% for the 10 year term to 9.375% for the 25 year term.

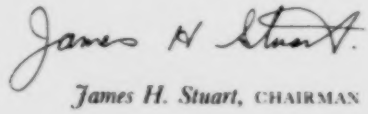
Our spring financing requests totalled $24 million and your trustees decided to combine these requirements with $87 million in refundings which involved issues numbers 10, 15 and 31. On June 12th, a $111 million dollar issue consisting of $21 million of 5 year serial debentures together with $90 million of 10 year debentures was launched. Relending rates to member municipalities ranged from 9.30% for the 5 years to 10.25% for the 25 year term. The rates were welcomed by the treasurers of the municipalities who were paying 15.125% for the previous financing.

Our fall issue combined $18.6 million of new requests with a refunding of our Swiss Franc bank loan. On October 1st, we launched a new issue of $33 million 5 year bonds at 11.25%.

We visited New York this year to present our financing statements to the rating agencies—Moody's Investor Services, and Standard & Poor's Corporation. We were pleased when we received confirmation of our credit rating again this year. The Triple A from Moody's and the Double A+ from Standard & Poor's puts us in a higher rating level than any of the Canadian provinces other than the province of Ontario (which has an identical rating to the MFA).

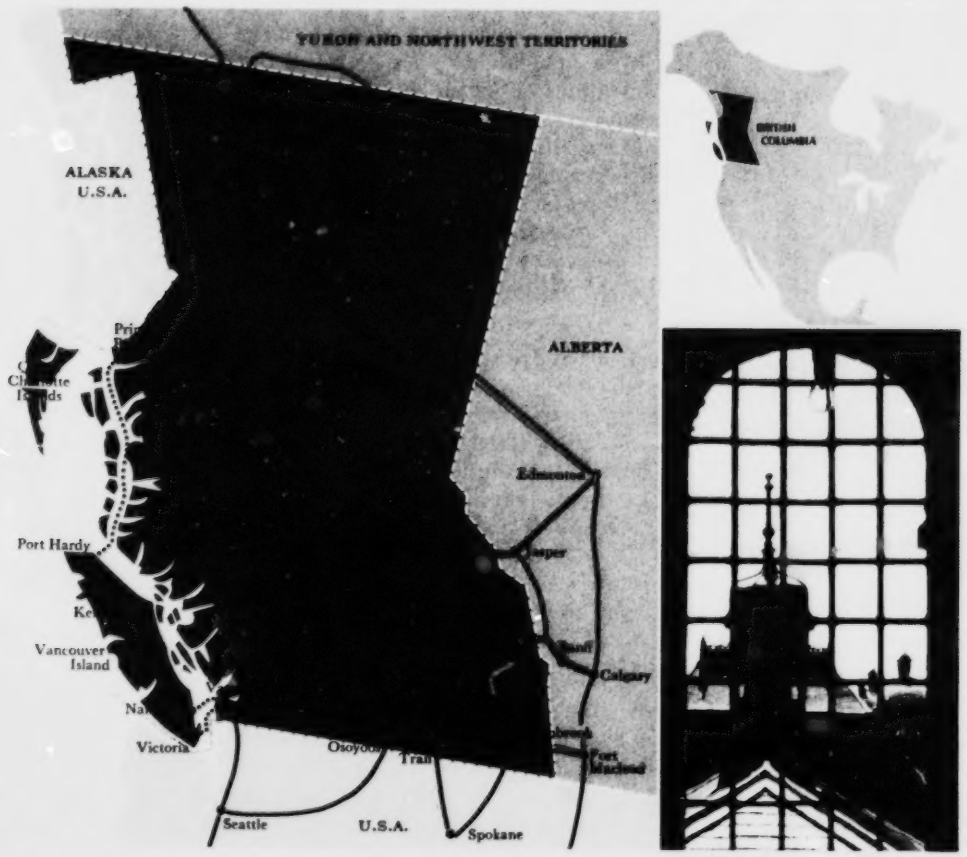
Many opportunities have come up this year to serve municipalities either over the telephone or on-site, and we certainly appreciate the relationship of trust that has developed over the years. We also continue to enjoy the co-operative and helpful actions of the Ministry of Municipal Affairs and the Ministry of Finance. Many creative joint projects have been initiated in this cordial atmosphere.

In closing, I would like to draw to your attention the departure of Don Ross from our board of trustees. Don has served as a trustee for seven years, many of those as Vice-Chairman of the board and has made a substantial contribution to the Authority. We all wish him well in his future endeavours. I would also like to thank the other members of the board of trustees and the staff of the Authority for their energy and creativity. It has been a great pleasure to serve as your chairman during 1987.



James H. Stuart, CHAIRMAN

Fall colours, Okanagan Lake, Central Okanagan Regional District *Courtesy Province of B.C.*



"The object of the authority is to provide financing of capital requirements for regional districts and for their member municipalities by the issue of its securities and lending the proceeds from them to the regional district on whose request the financing is undertaken."

Municipal Finance Authority Act, Revised Statutes of British Columbia, 1979.

How the Municipal Finance Authority of British Columbia Functions

Responsibility

The Municipal Finance Authority of British Columbia was established in 1970 by the Municipal Finance Authority of British Columbia Act, Chapter 292, Revised Statutes of British Columbia, 1979.

Regional districts and municipalities in British Columbia finance through the Authority all long-term capital requirements except those met by senior levels of government.

The City of Vancouver is the only municipality in the Province which retains the right to issue its own securities to finance capital projects. Taxable land and improvements within the City of Vancouver are, nevertheless, subject to rates levied by the Municipal Finance Authority.

Representation

The Province of British Columbia is divided into twenty-nine regional districts, each of which is governed by a Regional Board consisting of representatives of its member municipalities and unincorporated areas.

The members of the Municipal Finance Authority are appointed by the Regional Boards; the number of members to which a regional district is entitled is based upon its population.

The executive and administrative powers and duties of the Authority are exercised and performed by a Board of Trustees consisting of the Chairman of the Authority and six other members, elected annually. The Capital Regional District and the Greater Vancouver Regional District must be represented on the Board of Trustees.

Funding

When the municipalities, through the regional districts, and the regional districts on their own behalf, wish to finance their capital projects, they present their approved requests to the Municipal Finance Authority.

Taking into account market and economic conditions pertaining, the members of the Authority may authorize the issue and sale of securities in an amount sufficient to meet the requests.

Securities of the Authority, not exceeding the amount authorized, may then be issued at such rates and pursuant to such terms and conditions and in such markets and currencies as the Board of Trustees may determine. Under the Act, the Authority has power to provide for the creation, management and application of sinking funds or other means of securing the repayment of securities issued by the Authority, including the redemption by call of securities issued subject to redemption in advance of maturity.

A separate account is maintained for each sinking fund security issue and moneys at the credit of a sinking fund which cannot be immediately applied toward paying the debt or discharging the obligation may be invested in:

(a) securities of the government of Canada or a province of Canada, or

(b) securities, the principal and interest of which are guaranteed by the government of Canada or a province of Canada, or

(c) securities of a municipality or regional district in British Columbia, or of a local, municipal or regional government in another province of Canada, maturing not later than the securities for which the sinking fund was created, or

(d) investments guaranteed by a Canadian chartered bank, or

(e) deposits in, or shares or other evidences of indebtedness of, a credit union incorporated under the British Columbia Credit Union Act, or

(f) securities of the Municipal Finance Authority of British Columbia maturing not later than the securities for which the sinking fund was created; however, securities so purchased shall be held to the credit of the sinking fund account and shall not be resold.

Protection for Investors

In British Columbia, the combined credit of all the regional districts and their member municipalities—which together have essentially all the taxable land and improvements in the Province—stands behind the Authority's obligations.

In addition, the Authority has established a debt reserve fund into which each regional district sharing in the proceeds of a security issue having a term to maturity of over two years must contribute an amount equal to one-half the average annual instalment of principal and interest for repayment of the issue; such amount is payable to the Authority at the time of issue either in full or in an amount equal to one percent of the principal amount borrowed with the balance secured by a non-interest bearing demand note of the regional district issued to the Authority. Moneys paid into the debt reserve fund, and interest earned thereon, are obligations of the Authority to the regional districts and must be refunded to them when the final instalments of their loans have been repaid.

If, at any time, the Authority lacks sufficient funds to meet principal, interest or sinking fund payments due on its obligations, it must utilize the debt reserve fund, all or any part of which is available to satisfy the Authority's obligations, regardless of the sources of the moneys in the fund. In the event that payments are made from the debt reserve fund, the Authority will recover such payments from the regional districts involved in order to restore the debt reserve fund. If the Trustees are of the opinion that payments made from the debt reserve fund will not be recovered within a reasonable period, they may levy upon all taxable land and improvements in the Province a tax sufficient to restore the fund to its required amount. It is mandatory for the Trustees to levy such a tax when the balance in the debt reserve fund is less than fifty percent of the required amount. The Trustees' power to impose taxes does not require the permission or approval of any other governmental authority. Pending the receipt of such taxes, the Authority may borrow an equivalent amount to meet its obligations.

The provincial government has undertaken to assure that the debt reserve fund will be maintained in accordance with the Municipal Finance Authority Act and the Inspector of Municipalities may inspect the fund from time to time and issue a certificate that it has been maintained at the proper level.

Moneys in the debt reserve fund may be invested in:

(a) securities of the government of Canada or a province of Canada, or

(b) securities, the principal and interest of which are guaranteed by the government of Canada or a province of Canada, or

(c) deposits in, or investments guaranteed by a Canadian chartered bank, or

(d) deposits in, or shares or other evidences of indebtedness of, a credit union incorporated under the British Columbia Credit Union Act.

Such investments must mature or be callable within five years and at least twenty-five percent of the fund must be callable within ninety days.

Additional Protection for Investors

Regional districts and their member municipalities financing through the Municipal Finance Authority must obtain the same provincial approvals as would be required if they were issuing their own securities. In this way, all the safeguards imposed by the Provincial Legislature on the incurring of indebtedness by regional and municipal governments are retained. Such safeguards include the requirement that the Inspector of Municipalities approve the debt and user charges, if any, and other taxes to service the debt. In addition, sewer and water projects require the issuance of a certificate of self-liquidation by the Inspector of Municipalities.

Limitations on the borrowing power of a regional district for each function may be specified in its letters patent. The total indebtedness which a municipality may contract is limited to a percentage of the assessed value for general municipal purposes of the taxable land and improvements within the municipality and the value of the utility systems and other municipal enterprises for which the municipality has a subsisting certificate of self-liquidation granted by the Inspector of Municipalities.

Schedule of Loans to Regional Districts

OUTSTANDING AT DECEMBER 31, 1987
THOUSANDS OF DOLLARS (EXCEPT PER CAPITA)

	Principal Outstanding Dec. 31, 1986	1987		Principal Outstanding Dec. 31, 1987	Per Capita
		New Loans Issued	Principal Repaid		
REGIONAL DISTRICTS					
Alberni-Clayoquot	$ 8,184	—	555	7,629	251
Bulkley-Nechako	14,636	—	554	14,082	376
Capital	89,763	7,172	3,499	93,436	352
Cariboo	31,716	2,350	1,155	32,911	544
Central Coast	—	—	—	—	—
Central Fraser Valley	68,140	735	2,351	66,524	486
Central Kootenay	17,030	—	713	16,317	332
Central Okanagan	41,639	4,013	1,586	44,066	491
Columbia-Shuswap	17,855	2,275	758	19,372	483
Comox-Strathcona	48,907	2,610	1,722	49,795	700
Cowichan Valley	23,228	988	948	23,268	443
Dewdney-Alouette	47,534	463	1,377	46,620	671
East Kootenay	64,660	150	2,189	62,621	1,179
Fraser-Cheam	14,425	1,880	612	15,693	271
Fraser-Fort George	59,858	892	2,421	58,329	653
Greater Vancouver	206,587	5,781	10,389	201,979	159
Kitimat-Stikine	16,757	1,181	759	17,179	435
Kootenay Boundary	11,428	620	418	11,630	383
Mount Waddington	5,815	70	253	5,632	377
Nanaimo	61,712	1,180	2,297	60,595	737
North Okanagan	25,245	2,705	1,006	26,944	489
Okanagan-Similkameen	24,231	808	1,033	24,006	406
Peace River-Liard	83,250	583	3,653	80,180	1,400
Powell River	6,199	100	309	5,990	326
Skeena-Queen Charlotte	21,168	3,000	908	23,260	1,009
Squamish-Lillooet	16,589	1,831	504	17,916	907
Sunshine Coast	7,615	400	299	7,716	460
Thompson-Nicola	68,094	859	2,899	66,054	671
OTHER					
District of Campbell River	3,247	—	97	3,150	185
Greater Nanaimo Water District	22,150	—	543	21,607	298
	$ 1,127,662	42,646	45,807	1,124,501	389

The Growth and Stability of British Columbia's Regional Districts and Municipalities therein

ASSESSMENT

The British Columbia Assessment Authority, a provincially-appointed body, is responsible for assessment throughout the Province.

The fundamental principle underlying the Assessment Act is that land and improvements must be valued at their actual value (i.e., fair market value).

The actual value totals for the Province in the years 1982 to 1987 were as follows:

1982	$ 157.1 billion	1985	$ 145.7 billion
1983	$ 138.3 billion	1986	$ 147.7 billion
1984	$ 140.8 billion	1987	$ 137.5 billion

Property is segregated by type or use into property classes prescribed by the Lieutenant Governor in Council.

The value subject to taxation after applicable exemptions is referred to as the net taxable value.

A variable tax rate system was introduced in 1984 which transferred the variability factor from the assessed value to the taxation process controlled by each taxing authority. Municipal and other taxing authorities now set tax rates for each class of property to produce the level of taxation desired.

SOURCE: BRITISH COLUMBIA ASSESSMENT AUTHORITY

TAX LEVIES AND COLLECTIONS

The following table sets forth the tax levies and the collection experience of the regional districts and municipalities in British Columbia for the years 1982 through 1986:

Tax Levies and Collections by the Regional Districts and Municipalities therein

MILLIONS OF DOLLARS

	1986	1985	1984	1983	1982
Current tax levy	1,805	1,765	1,748	1,685	1,661
Arrears	135	152	157	146	77
Total taxes	1,940	1,917	1,905	1,831	1,738
Current taxes collected	1,725	1,681	1,654	1,586	1,553
Current collections as per cent of current tax levy	95.57%	95.24%	94.62%	94.12%	93.50%
Arrears collected	96	108	107	93	49
Total collections as per cent of current tax levy	100.88%	101.36%	100.74%	99.64%	96.45%

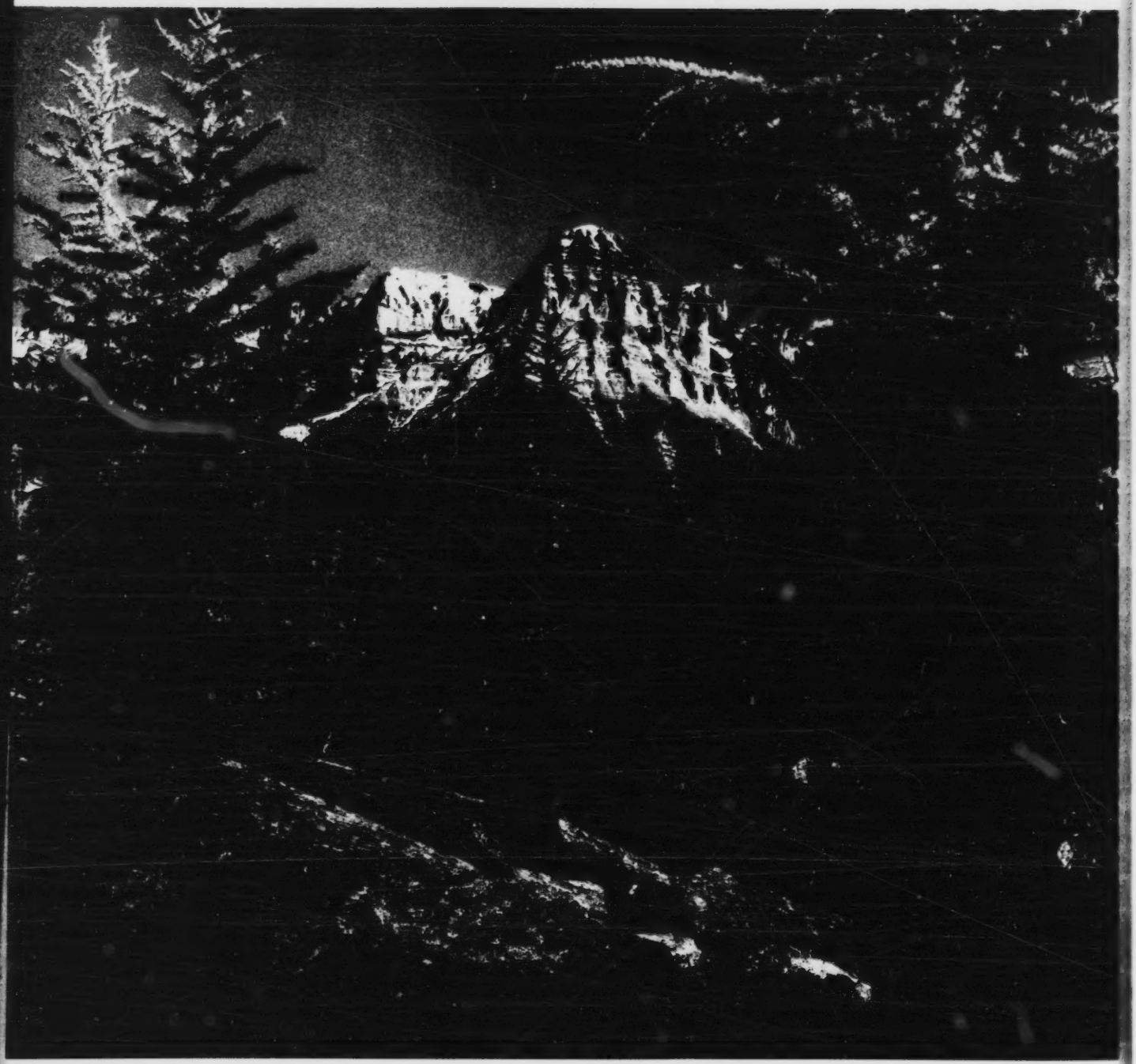
SOURCE: MINISTRY OF MUNICIPAL AFFAIRS

Revenues and Expenditures of the Regional Districts and Municipalities therein

MILLIONS OF DOLLARS

	1986	1985	1984	1983	1982
REVENUES:					
Real property taxes	879	816	759	710	683
Other taxes	80	82	93	107	111
Total taxation	959	898	852	817	794
Contributions, grants and subsidies:					
Federal	24	26	24	23	21
Provincial	288	266	265	278	244
Taxes collected for school authorities	779	819	857	852	862
Other revenues—general	437	407	390	366	369
Other revenues—sewers	56	52	49	43	41
Other revenues—utilities	139	133	126	131	109
	2,682	2,601	2,563	2,510	2,440
Transfers from reserves	65	57	57	50	70
Transfers from surpluses of prior years	25	33	30	23	34
	2,772	2,691	2,650	2,583	2,544
EXPENDITURES:					
General government	205	202	189	181	178
Fire and police	370	357	341	327	311
Public works and sanitation	261	247	231	226	237
Public health	47	45	43	38	38
Social welfare	3	2	3	2	11
Recreation and community services	246	227	213	204	205
Debt charges	310	297	275	252	224
Taxes transmitted to school authorities	779	819	857	857	862
Other expenditures—general	178	165	170	132	132
Other expenditures—sewers	40	37	33	32	32
Other expenditures—utilities	90	90	83	116	78
Contributions to capital—general	78	77	75	79	96
Contributions to capital—sewers	7	5	3	4	4
Contributions to capital—utilities	15	13	11	10	13
	2,629	2,583	2,527	2,460	2,421
Transfers to reserves	96	84	91	85	89
Operating surplus	47	24	32	38	34
	2,772	2,691	2,650	2,583	2,544

SOURCE: MINISTRY OF MUNICIPAL AFFAIRS



Mount Huber, Yoho National Park, Columbia-Shuswap Regional District *Courtesy Province of B.C.*

Auditors' Report — 1987

TO THE MEMBERS OF THE MUNICIPAL FINANCE AUTHORITY OF BRITISH COLUMBIA

KPMG Peat Marwick

Chartered Accountants

2400-1055 West Georgia Street
P.O. Box 11150, Royal Centre
Vancouver, B.C. V6E 3P3

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Telefax (604)662-5576

We have examined the balance sheets of the Operating Fund, Debt Fund, Capital Repayment Equalization Fund, Debt Reserve Fund and Market Development Fund of Municipal Finance Authority of British Columbia and the combined balance sheet of these funds as at December 31, 1987, the statements of revenue, expenditure and surplus and changes in financial position of each of these funds, the combined statements of revenue, expenditure and surplus and changes in financial position of these funds for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the Authority as at December 31, 1987, and the results of its operations and the changes in its financial position for the year then ended in accordance with accounting principles described in Note 1 to the financial statements applied on a basis consistent with that of the preceding year.

Peat Marwick

CHARTERED ACCOUNTANTS

Vancouver, British Columbia, Canada
January 29, 1988

MUNICIPAL FINANCE AUTHORITY OF BRITISH COLUMBIA

Balance Sheets

DECEMBER 31, 1987 — WITH COMPARATIVE FIGURES FOR 1986
THOUSANDS OF DOLLARS

	OPERATING FUND		DEBT FUND	
	1987	1986	1987	1986
ASSETS				
Cash	$ 247	260	637	1,811
Receivables:				
Due from Operating Fund	—	—	—	—
Due from Capital Repayment Equalization Fund	—	—	32,812	43,180
Accrued interest	—	2	—	—
Other	16	19	—	—
Total receivables	16	21	32,812	43,180
Investments (Note 2)	—	—	—	—
Demand notes receivable from Regional Districts, without interest	—	—	—	—
Loans to Regional Districts (Note 3)	—	—	1,124,501	1,127,662
Deferred receivables from Regional Districts (Note 4)	—	—	2,183	14,122
Unamortized issue and refunding costs	—	—	3,918	3,069
	$ 263	281	1,164,051	1,190,207
LIABILITIES AND SURPLUS				
Liabilities:				
Accounts payable and unpresented matured debt	$ 45	61	640	1,844
Due to Debt Fund	—	—	—	—
Due to Market Development Fund	45	53	—	—
Due to sinking and other funds (Note 5)	—	—	3,200	3,998
Due to Regional Districts (Note 6)	—	—	—	—
Reserves for information systems enhancement	102	115	—	—
Long-term debt, net (Notes 7, 8 and 9) (Schedule)	—	—	1,120,800	1,152,767
Total liabilities	192	229	1,124,640	1,158,604
Surplus, per accompanying statement (Note 10)	71	52	39,411	31,603
Commitments (Note 11)				
	$ 263	281	1,164,051	1,190,207

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

CAPITAL REPAYMENT EQUALIZATION FUND		DEBT RESERVE FUND		MARKET DEVELOPMENT FUND		COMBINED	
1987	1986	1987	1986	1987	1986	1987	1986
1,207	168	295	309	—	—	2,386	2,881
—	—	—	—	45	53	—	—
—	—	—	—	—	—	—	—
619	1,100	641	617	—	—	1,260	1,719
—	—	—	—	—	—	16	19
619	1,100	641	617	45	53	1,276	1,768
98,382	107,363	39,135	31,811	—	—	137,517	139,174
—	—	85,140	82,611	—	—	85,140	82,611
—	—	—	—	—	—	1,124,501	1,127,662
—	—	—	—	—	—	2,183	14,122
—	—	—	—	—	—	3,918	3,099
100,208	108,931	125,211	115,378	45	53	1,356,921	1,371,317
—	—	5	10	—	—	690	1,945
32,812	43,480	—	—	—	—	—	—
—	—	—	—	—	—	—	—
—	—	—	—	—	—	3,200	3,993
—	—	125,206	115,338	—	—	125,206	115,338
—	—	—	—	—	—	102	115
—	—	—	—	—	—	1,120,800	1,152,767
32,812	43,480	125,211	115,378	—	—	1,249,998	1,274,158
67,396	65,451	—	—	45	53	106,923	97,159
100,208	108,931	125,211	115,378	45	53	1,356,921	1,371,317

J. Craven

SECRETARY-TREASURER

MUNICIPAL FINANCE AUTHORITY OF BRITISH COLUMBIA

Statements of Revenue, Expenditure and Surplus

YEAR ENDED DECEMBER 31, 1987 — WITH COMPARATIVE FIGURES FOR 1986
THOUSANDS OF DOLLARS

	OPERATING FUND		DEBT FUND	
	1987	1986	1987	1986
REVENUE				
Prior year's surplus appropriated	$ 52	1	—	—
Operating levy	253	360	—	—
Recoveries from new issues	87	86	—	—
Management fees	206	169	—	—
Gain on purchases of own debentures	—	—	320	19
Interest from investments	12	8	7,556	6,358
Interest from loans to Regional Districts	—	—	3,499	3,578
Principal from loans to Regional Districts	—	—	—	—
Recovery of deficiencies from Regional Districts	—	—	—	—
Transfers from Operating Fund	—	—	—	—
Transfers from Capital Repayment Equalization Fund	—	—	150,825	135,271
Transfers from Debt Reserve Fund	—	—	1,935	1,819
Other	—	—	—	—
Total revenue	610	624	164,135	147,045
EXPENDITURE				
Legislative	48	47	—	—
Administrative	466	477	—	—
Transfers to Debt Fund — capital	—	—	—	—
Transfers to Debt Fund — revenue	—	—	—	—
Transfers to Market Development Fund	25	48	—	—
Interest	—	—	137,521	140,009
Amortization of issue and refunding costs	—	—	540	353
Management fees	—	—	69	57
Allocations to Regional Districts	—	—	—	—
Other	—	—	18,197	306
Total expenditure	539	572	156,327	140,725
Excess of revenue over expenditure for the year	71	52	7,808	6,320
Surplus at the beginning of the year not appropriated to current revenue	—	—	31,603	37,876
Surplus transfers	—	—	—	(12,593)
Surplus at the end of the year	$ 71	52	39,411	31,603

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

CAPITAL REPAYMENT EQUALIZATION FUND		DEBT RESERVE FUND		MARKET DEVELOPMENT FUND		COMBINED	
1987	1986	1987	1986	1987	1986	1987	1986
65,451	36,591	—	—	53	33	65,556	36,625
—	—	—	—	—	—	253	360
—	—	—	—	—	—	87	86
—	—	—	—	—	—	—	—
151	193	—	—	—	—	471	212
10,101	8,944	4,193	4,323	—	—	21,862	19,633
140,911	140,656	—	—	—	—	144,410	144,234
43,695	42,181	—	—	—	—	—	—
—	—	7,130	3,237	—	—	7,130	3,237
—	—	—	—	25	18	—	—
—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—
1,812	1,859	—	—	—	—	1,812	1,859
262,121	230,424	11,323	7,560	78	81	241,581	206,246
—	—	—	—	—	—	48	47
—	—	—	—	—	—	466	477
43,695	42,181	2,344	5,311	—	—	—	—
150,825	135,271	1,935	1,819	—	—	—	—
—	—	—	—	—	—	—	—
—	—	—	—	—	—	137,521	140,009
—	—	—	—	—	—	540	353
101	79	36	33	—	—	—	—
104	35	6,931	361	—	—	9,379	5,707
—	—	77	36	33	28	18,307	370
194,725	177,566	11,323	7,560	33	28	166,261	146,963
67,396	52,858	—	—	45	53	75,320	59,283
—	—	—	—	—	—	31,603	37,876
—	12,593	—	—	—	—	—	—
67,396	65,451	—	—	45	53	106,923	97,159

MUNICIPAL FINANCE AUTHORITY OF BRITISH COLUMBIA

Statements of Changes in Financial Position

YEAR ENDED DECEMBER 31, 1987—WITH COMPARATIVE FIGURES FOR 1986
THOUSANDS OF DOLLARS

	OPERATING FUND		DEBT FUND	
	1987	1986	1987	1986
OPERATING ACTIVITIES				
Excess of revenue over expenditure for the year	$ 71	52	7,808	6,320
Non-cash items:				
Surplus transfers	—	—	—	12,593
Prior year's surplus appropriated	(52)	(1	—	—
Gain on purchases of own debentures for investment purposes	—	—	(320)	18
Gain on disposals of other securities	—	—	—	—
Accretion of discounts on investments	—	—	(2,303)	2,895
Increase (decrease) in reserves for information systems enhancement	(13)	23	—	—
Amortization of issue and refunding costs	—	—	540	353
Allocations to Regional Districts	—	—	—	—
Changes in interfund balances	(8)	20	(554)	9,472
Decrease (increase) in accrued interest receivable	2	2	—	—
Decrease in other receivables	3	8	—	—
Increase (decrease) in accounts payable	(16)	16	(1,204)	350
Increase in loans from sinking and other funds	—	—	778	—
Cash provided by (applied to) operating activities	(13)	120	4,745	289
FINANCING ACTIVITIES				
New debt issued	—	—	162,556	97,100
Loan repayments from Regional Districts	—	—	45,807	44,147
Decrease in deferred receivables from Regional Districts	—	—	11,939	5,196
New loans to Regional Districts	—	—	(42,646)	(49,063)
Debt retired	—	—	(180,906)	(68,088)
Increase in unamortized issue and refunding costs	—	—	(1,359)	(1,386)
Decrease in bank loans	—	—	—	(1,455)
Decrease in loans from sinking and other funds	—	—	(1,571)	(2,190)
Changes in interfund balances	—	—	11,222	(18,513)
Contributions from Regional Districts re new loans	—	—	—	—
Contributions and earnings thereon refunded to Regional Districts	—	—	—	—
Cash provided by (applied to) financing activities	—	—	5,042	5,748
INVESTING ACTIVITIES				
Investments sold or matured	—	—	8,746	5,556
Investments purchased	—	—	(19,351)	(11,530)
Other	—	—	(389)	(413)
Cash provided by (applied to) investing activities	—	—	(10,994)	(6,387)
Increase (decrease) in cash for the year	(13)	120	(1,207)	(350)
Cash, beginning of the year	260	140	1,844	2,194
Cash, end of the year	$ 247	260	637	1,844

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

CAPITAL REPAYMENT EQUALIZATION FUND		DEBT RESERVE FUND		MARKET DEVELOPMENT FUND		COMBINED	
1987	1986	1987	1986	1987	1986	1987	1986
67,396	52,858	—	—	45	53	75,320	59,283
—	12,593	—	—	—	—	—	—
(65,451)	(36,591)	—	—	(53)	(33)	(65,556)	(36,625)
(60)	(39)	—	—	—	—	(381)	(57)
(371)	(31)	—	—	—	—	(371)	(31)
(4,700)	(3,493)	(831)	(465)	—	—	(7,883)	(6,853)
—	—	—	—	—	—	(13)	(23)
—	—	—	—	—	—	540	(353)
—	—	6,931	361	—	—	6,931	361
554	(9,472)	—	—	8	(20)	—	—
481	(135)	6	(16)	—	—	489	(119)
—	—	—	—	—	—	3	(8)
—	—	(35)	23	—	—	(1,255)	(311)
—	—	—	—	—	—	778	—
(2,151)	(15,687)	6,071	(97)	—	—	8,652	(15,999)
—	—	—	—	—	—	162,556	97,100
—	—	—	—	—	—	45,807	(11,147)
—	—	—	—	—	—	11,939	(5,196)
—	—	—	—	—	—	(42,646)	(49,063)
—	—	—	—	—	—	(180,906)	(68,088)
—	—	—	—	—	—	(1,359)	(1,386)
—	—	—	—	—	—	—	(1,455)
—	—	—	—	—	—	(1,571)	(2,190)
(11,222)	(18,513)	—	—	—	—	—	—
—	—	427	490	—	—	427	490
—	—	(19)	(201)	—	—	(19)	(201)
(11,222)	(18,513)	408	289	—	—	(5,772)	(24,550)
305,716	164,093	22,674	(34,794	—	—	337,136	204,443
(291,604)	(198,369)	(29,167)	(34,985)	—	—	(340,122)	(244,884)
—	—	—	—	—	—	(389)	(413)
14,112	(34,276)	(6,493)	(191)	—	—	(3,375)	(40,854)
739	(76)	(14)	1	—	—	(495)	(305)
468	544	309	308	—	—	2,881	3,186
1,207	468	295	309	—	—	2,386	2,881

MUNICIPAL FINANCE AUTHORITY OF BRITISH COLUMBIA

Notes to Financial Statements — All Funds

DECEMBER 31, 1987

1 Organization of Municipal Finance Authority of British Columbia and significant accounting policies

The Municipal Finance Authority of British Columbia (the "Authority"), created in 1970 by the Municipal Finance Authority of British Columbia Act (the "Act"), is the central borrowing agency for financing of capital requirements (other than for schools and hospitals) for regional districts and their member municipalities in the Province of British Columbia (the "Province"). The Authority issues its own securities and lends the proceeds to the regional districts on whose request the financing is undertaken. Obligations of the Authority are not obligations of the Province and are not directly or indirectly guaranteed by the Province.

The Authority follows the normal practice in local government accounting and maintains its accounts according to the principles of fund accounting, a technique by which its financial resources are segregated for specific activities or to attain certain objectives. Five funds are maintained. A brief description of each fund and its purpose is as follows:

OPERATING FUND

The Act provides for the establishment of an operating fund to meet the annual operating budget. For this purpose, the Authority may impose, annually, rates not exceeding the prescribed rates on all taxable land and improvements in the Province.

DEBT FUND

The Authority's financing activities on behalf of the regional districts in the Province are recorded in the Debt Fund.

CAPITAL REPAYMENT EQUALIZATION FUND

The Capital Repayment Equalization Fund is a repository for repayments from the regional districts under their loan agreements in advance of the Authority's requirements on its related indebtedness. Transfers, not exceeding the amount available in respect of each issue, are made to the Debt Fund to meet the Authority's obligations when due.

DEBT RESERVE FUND

Under the Act, the Authority is required to establish a Debt Reserve Fund. Each regional district sharing in the proceeds of a securities issue is required to pay into the Debt Reserve Fund an amount equal to one-half the average annual instalment of principal and interest in respect of its own borrowing together with one-half the average annual instalment of principal and interest as set out in the agreements entered into with the regional district by member municipalities in respect of their borrowings; such amount is payable either in full or in an amount equal to 1% of the principal amount borrowed with the balance secured by a non-interest bearing demand note.

If, at any time, the Authority does not have sufficient funds to meet payments or sinking fund contributions due on its obligations, the payments or sinking fund contributions shall be made from the Debt Reserve Fund.

MUNICIPAL FINANCE AUTHORITY OF BRITISH COLUMBIA

Notes to Financial Statements — All Funds / continued

DECEMBER 31, 1987

MARKET DEVELOPMENT FUND

The development of markets for the Authority's securities issues is segregated in the Market Development Fund. It is funded by transfers from the Operating Fund.

A summary of significant accounting policies is as follows:

PRIOR YEAR'S SURPLUS

The Authority appropriates the prior year's surpluses to current revenue except the Debt Fund surplus which relates to the sinking funds.

INCOME RECOGNITION

The annual operating levy is recognized as revenue in the Operating Fund when the rates have been set by the Authority in March of each year. It is collected on behalf of the Authority by the municipalities in the Province and the Provincial Surveyor of Taxes and is payable to the Authority on August 1 each year.

OFFICE FURNITURE, FIXTURES AND EQUIPMENT

Office furniture, fixtures and equipment are written off in the year of acquisition.

INTEREST ACCRUALS

Interest is accrued only on investments. Accrued interest receivable from the regional districts under the loan agreements and accrued interest payable on the long-term debt are not recorded, except for unpaid matured interest coupons on coupon debentures which are recognized as accounts payable in the Debt Fund.

AMORTIZATION OF ISSUE AND REFUNDING COSTS

The issue and refunding costs are being amortized on a straight-line basis over the average lives of the securities issues to which they relate.

FOREIGN CURRENCY TRANSACTIONS

The long-term debt payable in foreign currencies is recorded in equivalent Canadian dollars at the exchange rates prevailing when the debt was incurred except the debt payable in U.S. dollars which is stated at the rate of U.S. $1 equals Canadian $1.

The Authority does not adjust its assets and liabilities denominated in foreign currencies to reflect the exchange rates at the balance sheet date since, in the opinion of the Authority, its foreign exchange exposure is fully hedged by virtue of its contractual arrangements with the regional districts on whose behalf the financing is undertaken and/or by the application of certain sections of the Act which, essentially, provide that all monetary risks, including foreign currency risks, are obligations of the regional districts.

Notes to Financial Statements — All Funds / continued

DECEMBER 31, 1987

INVESTMENTS

Investments are carried at cost, adjusted for amortization of premiums and accretion of discounts on a yield basis, except the investments in its own securities which are carried at par value.

SINKING FUNDS

Under the Act, obligations of the Authority purchased for a sinking fund account together with interest, premium, or exchange derived from them shall be held to the credit of that sinking fund account and shall not be resold. However, securities purchased in anticipation of mandatory annual redemptions for sinking fund purposes are cancelled immediately in accordance with the terms of such issues.

2 Investments

Investments consist of securities of:

	1987		1986
	Par value	Book value	Book value
	(THOUSANDS OF DOLLARS)		
CAPITAL REPAYMENT EQUALIZATION FUND			
Government of Canada, direct or guaranteed	$ 30,937	19,628	41,562
Provincial governments, direct or guaranteed	36,502	24,779	23,991
Chartered banks, direct or guaranteed	47,044	46,852	36,197
Credit Unions in the Province	1,345	1,345	975
Regional Districts and Municipalities in Canada	4,217	4,210	2,594
The Authority	1,568	1,568	2,044
	$ 121,613	98,382	107,363
DEBT RESERVE FUND			
Government of Canada, direct or guaranteed	$ 10,988	9,586	6,117
Provincial governments, direct or guaranteed	16,301	15,814	14,227
Chartered banks, direct or guaranteed	13,705	13,735	11,422
Credit Unions in the Province	—	—	45
	$ 40,994	39,135	31,811

Notes to Financial Statements — All Funds / continued

DECEMBER 31, 1987

3
Loans to Regional Districts

Loans to regional districts include $266,134,162 (1986 - $280,168,364) denominated in U.S. dollars.

Under the Act, each regional district sharing in the proceeds of a securities issue must pay over to the Authority such sums as are required to discharge its obligations to the Authority in respect of such securities issue, but if the scheduled payments provided for under the loan agreement are not sufficient to meet the Authority's obligations in respect of that securities issue, the deficiency is a liability of the regional district to the Authority.

At the exchange rates prevailing at December 31, 1987, the scheduled payments under the agreements with the regional districts in respect of the securities payable in Swiss francs and Deutschemarks will not provide sufficient funds to meet the Authority's related obligations when due. Such deficiencies may be met from the Debt Reserve Fund (see Note 6).

The aggregate principal payments recoverable from the regional districts in each of the next five years are as follows:

	1987	1986
	(THOUSANDS OF DOLLARS)	
1987	$	45,528
1988	48,633	46,926
1989	50,186	48,479
1990	51,639	49,933
1991	53,095	51,389
1992	53,630	

4
Deferred receivables from Regional Districts

In 1978, the Authority redeemed the Swiss francs 50,000,000 6% bond issue from the proceeds of a Swiss francs 51,600,000 bank loan. As a result, the Authority incurred an exchange loss of $23,055,505 of which $11,163,014 had been recovered from the regional districts under the terms of the loan agreements. In 1987, the Authority used the accumulated related funds in the Capital Repayment Equalization Fund together with the proceeds of Canadian dollar refundings totalling $14,880,464 and a new Swiss francs 4,800,000 bank loan to retire the Swiss francs 51,600,000 loan. As a result, the Authority incurred a further exchange loss of $8,143,598 which, together with the unrecovered portion of the 1978 exchange loss, has been written off in 1987 to the extent that the Swiss francs debt has been retired. The amount has been recovered in the Debt Fund by way of a revenue transfer from the Capital Repayment Equalization Fund. The balance of the deferred receivables from regional districts which has not been written off will be recovered, if necessary, as the new Swiss francs 4,800,000 loan is retired.

Notes to Financial Statements — All Funds / continued

DECEMBER 31, 1987

5
Due to sinking and other funds

The Authority may invest sinking fund and Capital Repayment Equalization Fund monies in its own securities maturing not later than the securities for which the sinking or Capital Repayment Equalization Fund account was created.

In addition to its own securities purchased under this provision, loans to the Debt Fund totalling $3,148,810 (1986 - $3,957,337) together with accrued interest of $51,111 (1986 - $35,850) were outstanding at December 31, 1987. Like the securities, the loans are included in the sinking fund assets and in investments and receivables in the Capital Repayment Equalization Fund and they have not been eliminated in the combined statements.

6
Debt Reserve Fund

The amounts due to the regional districts will be repaid to them when they have made the final payment under their respective loan agreements. If, at any time, the Authority does not have sufficient funds to meet payments or sinking fund contributions due on its obligations, the payments or sinking fund contributions must be made from the Debt Reserve Fund. During 1987, deficiencies of $4,278,847 (1986 - $7,130,294) in the amounts of funds available to meet the principal and interest payments on the Deutschemark loan and the interest and sinking fund payments on the Swiss franc loan have been met by transfers from the Debt Reserve Fund. Such deficiencies are recovered in the following year from the participating regional districts under the terms of their loan agreements.

The Board of Trustees of the Authority may levy or impose upon substantially all taxable land and improvements in the Province rates sufficient to maintain the Debt Reserve Fund at a level not exceeding the amount which would have been in the fund had no such payments been made. Further, the Board of Trustees must impose such rates when the balance in the fund is less than fifty percent of the amount that would have been in the fund had no such payments been made.

MUNICIPAL FINANCE AUTHORITY OF BRITISH COLUMBIA

Notes to Financial Statements — All Funds / continued

DECEMBER 31, 1987

7
Long-term debt

The aggregate long-term debt maturities and sinking fund requirements in each of the next five years are as follows (including the debt payable in European currencies at the exchange rates prevailing at December 31,1987 and provision for early redemptions at the option of the bondholder):

	1987	1986
	(THOUSANDS OF DOLLARS)	
1987	$	231,903
1988	138,868	133,008
1989	35,738	53,319
1990	98,343	30,976
1991	40,243	32,621
1992	73,878	

Certain securities issues are subject to specific annual redemptions for sinking fund purposes. By purchasing the securities at discount in the open market in anticipation of the sinking fund requirements, the Authority has, to December 31, 1987, retired $3,713,000 (1986 - $8,456,000) of such debt in advance of the scheduled redemptions for sinking fund purposes.

Since the maturities of certain of the Authority's securities issues and the related loans to the regional districts do not coincide, refunding of all, or a portion, of such securities issues will be required in future years.

8
Foreign currencies

The long-term debt payable includes the following amounts payable in foreign currencies:

		1987	1986
United States dollars	US$	266,476,000	276,186,000
Swiss francs	SFr	4,800,000	51,600,000
Deutschemarks	DM	4,125,000	4,950,000

No exchange gains or losses accrue to the Authority in respect of the debt payable in U.S. dollars since the related loans to the regional districts are denominated in U.S. dollars and the loan agreements provide for repayment to the Authority in U.S. dollars. In the case of other long-term debt denominated in European currencies, the Authority is not at exchange risk (see Note 1).

Notes to Financial Statements — All Funds / continued

9
Sinking funds

The annual deposits to the sinking funds for issues payable in Canadian dollars are based on an interest rate of 5% per annum, capitalized yearly.

The assets and the surpluses of the sinking funds are as follows:

	1987		1986
	Par value	Book value	Book value
	(THOUSANDS OF DOLLARS)		
Securities of:			
Government of Canada, direct or guaranteed	$ 30,404	15,962	12,535
Provincial governments, direct or guaranteed	21,044	15,875	10,756
Chartered banks, direct or guaranteed	8,582	8,353	6,388
Regional Districts and Municipalities in Canada	2,183	2,067	1,783
The Authority	37,264	37,264	34,831
	$ 99,477	79,521	66,293
Cash		501	273
Accrued interest and other		873	711
Total assets		80,895	67,277
Accumulated actuarial requirements for retirement of the related debt		51,766	43,687
Excess of assets over accumulated actuarial requirements		$ 29,129	23,590

Notes to Financial Statements — All Funds / continued

10
Capital Repayment Equalization Fund — surplus

The surplus relates directly to specific securities issues and, if not otherwise appropriated for payment of principal and/or interest during the term of such issues, will be paid over to the regional districts for which the financing was undertaken.

11
Commitments

The minimum future rental commitments for premises and equipment are as follows:

	Premises	Equipment	Total
1988	39,237	32,396	71,633
1989	39,237	19,989	59,226
1990	39,237	12,491	51,728
1991	41,615	5,016	46,631
1992	46,371	—	46,371
1993 - 1996	170,027	—	170,027

MUNICIPAL FINANCE AUTHORITY OF BRITISH COLUMBIA

Debt Fund — Schedule of Long-Term Debt

DECEMBER 31, 1987 — WITH COMPARATIVE FIGURES FOR 1986
THOUSANDS OF DOLLARS

Issue / Series	Year of issue	Maturity date	Interest rate percent	Original amount
Payable in Canadian dollars:				
2	1971	December 1, 1988-1996	7.750	$ 1,259
3	1972	March 1, 1992	7.750	1,675
		March 1, 1997	7.750	2,575
6	1973	June 1, 1988-1992	8.125	8,727
7	1974	March 1, 1988-1989	9.000	887
		March 1, 1994	9.000	6,462
9	1974	April 16, 1994	9.000	6,800
11	1974	September 3, 1988-1994	10.750	5,000
16	1975	September 2, 1995	10.750	5,000
20	1977	June 1, 1988/1997	9.000	25,000
		June 1, 1997	9.875	20,000
21	1977	December 1, 1987	8.750	1,227
		December 1, 1988-1992	9.250	961
		December 1, 1997	9.500	33,500
		December 1, 2002	9.500	7,000
23	1978	November 15, 1988	9.500	1,150
		November 15, 1989-1993	9.625	890
		November 15, 1998	9.950	30,000
A23	1978	November 15, 1998	9.950	6,735
		November 15, 2003	10.000	3,265
24	1979	May 15, 1989/1999	10.250	24,000
25	1979	December 6, 1999	12.250	54,100
26	1979	December 6, 2004	12.250	11,133
31	1982	June 30, 1987	16.750	102,600
32	1982	October 27, 1988	13.625	100,000
33	1983	June 15, 1993	11.750	25,000
		June 15, 2003	12.375	63,300
34	1983	November 22, 1993	12.000	58,000
		November 22, 1993	12.125	21,000
35	1984	May 15, 1990	12.625	60,300
36	1984	December 5, 2004	13.000	30,500
CA	1985	June 12, 2005	12.000	21,800
CB	1985	December 12, 2005	11.000	15,500
A29	1986	April 29, 2001	14.000	91,362
EB	1986	June 2, 2001	9.375	65,500

Carried forward

Schedule

December 31, 1987			December 31, 1986	
Outstanding	Sinking funds	Long-term debt, net	Long-term debt, net	References
550	—	550	622	(1)
1,675	941	734	965	(1) (2)
2,575	843	1,732	1,938	(1) (2)
6,022	—	6,022	6,779	(1)
397	—	397	571	(1)
6,462	6,079	383	1,171	(1) (2)
6,800	6,425	375	1,281	(1) (2)
3,500	—	3,500	4,000	(1)
5,000	859	4,141	4,591	(1) (2)
5,341	—	5,341	5,341	(3)
20,000	13,453	6,547	8,161	(1) (2)
—	—	—	288	
961	—	961	961	(1)
33,500	20,428	13,072	16,220	(1) (2)
7,000	2,957	4,043	4,498	(1) (2)
274	—	274	521	(1)
890	—	890	890	(1)
30,000	16,293	13,707	16,084	(1) (2)
6,735	3,658	3,077	3,611	(1) (2)
3,265	1,229	2,036	2,216	(1) (2)
—	—	—	24,000	(4)
43,700	—	43,700	45,600	(5)
11,133	3,178	7,955	8,481	(2) (6)
—	—	—	102,600	(1)
100,000	—	100,000	100,000	(1)
17,873	—	17,873	19,960	(7) (8)
63,300	—	63,300	63,300	(7)
58,000	—	58,000	58,000	(1)
21,000	—	21,000	21,000	(9)
60,298	—	60,298	60,300	(1)
30,500	3,092	27,408	28,541	(2) (10)
21,800	1,460	20,340	21,104	(2) (11)
15,500	—	15,500	15,500	(12)
91,362	—	91,362	91,362	(1)
65,500	—	65,500	65,500	(8)
740,913	80,895	660,018	806,269	

MUNICIPAL FINANCE AUTHORITY OF BRITISH COLUMBIA

Debt Fund — Schedule of Long-Term Debt / continued

DECEMBER 31, 1987 — WITH COMPARATIVE FIGURES FOR 1986
THOUSANDS OF DOLLARS

Issue / Series	Year of issue	Maturity date	Interest rate percent	Original amount
Payable in Canadian dollars, continued:				
			Brought forward	
40	1986	October 23, 1987	9.000	$ 1,120
		October 23, 1988	9.250	1,120
		October 23, 1989	9.500	1,120
		October 23, 1990	9.500	1,120
		October 23, 1991	9.500	1,120
CC	1986	October 23, 2006	10.125	26,000
A24	1987	May 15, 1988	7.750	1,400
		May 15, 1989	8.000	1,600
		May 15, 1990	8.250	1,800
		May 15, 1991	8.500	2,000
		May 15, 1992	8.500	2,200
		May 15, 1993	8.750	2,400
		May 15, 1994	8.750	2,600
42	1987	July 30, 1988	9.000	3,500
		July 30, 1989	9.250	3,800
		July 30, 1990	9.500	4,200
		July 30, 1991	9.500	4,500
		July 30, 1992	9.500	5,000
CD	1987	July 30, 1997	10.000	90,000
CE	1987	November 15, 1992	11.250	33,000
Payable in United States dollars:				
1	1971	October 1, 1996	8.375	20,000
12	1975	January 15, 2000	9.750	34,500
17	1975	November 1, 2000	9.875	37,000
18	1976	May 1, 2001	8.875	52,500
19	1976	October 15, 2001	8.750	50,000
22	1978	June 1, 1998	9.250	29,363
		June 1, 2003	9.375	4,737
28	1980	December 1, 2005	13.750	90,000
EA	1985	October 28, 2000/2005	11.250	50,000
Payable in Swiss francs:				
5	1978	November 15, 1987	6.000	37,188
A5	1987	November 16, 1988-1992	5.400	4,556
Payable in Deutschemarks:				
4	1972	October 1, 1988-1992	6.750	4,618

Schedule

December 31, 1987			December 31, 1986	
Outstanding	Sinking funds	Long-term debt, net	Long-term debt, net	References
$ 740,913	80,895	660,018	806,269	
—	—	—	1,120	
1,120	—	1,120	1,120	(1)
1,120	—	1,120	1,120	(1)
1,120	—	1,120	1,120	(1)
1,120	—	1,120	1,120	(1)
26,000	—	26,000	26,000	(13)
1,400	—	1,400	—	(1)
1,600	—	1,600	—	(1)
1,800	—	1,800	—	(1)
2,000	—	2,000	—	(1)
2,200	—	2,200	—	(1)
2,400	—	2,400	—	(1)
2,600	—	2,600	—	(1)
3,500	—	3,500	—	(1)
3,800	—	3,800	—	(1)
4,200	—	4,200	—	(1)
4,500	—	4,500	—	(1)
5,000	—	5,000	—	(1)
90,000	—	90,000	—	(1)
33,000	—	33,000	—	(1)
929,393	80,895	848,498	837,869	
8,776	—	8,776	9,720	(7)
16,633	—	16,633	16,743	(14)
21,510	—	21,510	23,320	(15)
29,986	—	29,986	30,476	(16)
36,842	—	36,842	37,675	(17)
22,370	—	22,370	23,448	(7)
4,039	—	4,039	4,147	(7)
78,320	—	78,320	80,657	(18)
48,000	—	48,000	50,000	(8) (19)
266,476	—	266,476	276,186	
—	—	—	37,188	
4,556	—	4,556	—	
1,270	—	1,270	1,524	(20)
$ 1,201,695	80,895	1,120,800	1,152,767	

MUNICIPAL FINANCE AUTHORITY OF BRITISH COLUMBIA

Debt Fund — References to Schedule of Long-Term Debt

DECEMBER 31, 1987

1	Non-callable prior to maturity.
2	The sinking fund has been calculated to provide for retirement of the issue at maturity.
3	Redeemable at holder's option on June 1, 1988, 1991 or 1994. Callable upon the imposition of withholding taxes at 101.50% reducing to 100.25% over the remainder of the term to maturity.
4	Called on May 15, 1987 at 101%.
5	Non-callable prior to December 6, 1994 except for sinking fund purposes. Callable on December 6, 1994 and thereafter at any time at 100%.
6	Callable on December 6, 1997 and thereafter at any time at 100%.
7	Non-callable except for sinking fund purposes.
8	Callable upon the imposition of withholding taxes at any time at 100%.
9	Non-callable prior to maturity unless lender so agrees.
10	Callable on December 5, 1999 and thereafter at any time at 100%.
11	Callable on June 12, 2000 and thereafter at any time at 100%.
12	Callable on December 12, 2000 and thereafter at any time at 100%.
13	Callable on October 23, 2003 and thereafter at any time at 100%.
14	Non-callable prior to January 15, 1990 except for sinking fund purposes. Callable on January 15, 1990 and thereafter at any time at 103.50% reducing to 100% on or after January 16, 1999.
15	Non-callable prior to November 1, 1990 except for sinking fund purposes. Callable on November 1, 1990 and thereafter at any time at 103.25% reducing to 100% on or after November 2, 1998.
16	Non-callable prior to May 1, 1991 except for sinking fund purposes. Callable on May 1, 1991 and thereafter at any time at 102.75% reducing to 100% on or after May 2, 1999.

MUNICIPAL FINANCE AUTHORITY OF BRITISH COLUMBIA

Debt Fund — References to Schedule of Long-Term Debt / continued

DECEMBER 31, 1987

17 Non-callable prior to October 15, 1991 except for sinking fund purposes. Callable on October 15, 1991 and thereafter at any time at 102.75% reducing to 100% on or after October 16, 1999.

18 Non-callable prior to December 1, 1995 except for sinking fund purposes. Callable on December 1, 1995 and thereafter at any time at 105.02% reducing to 100% on or after December 1, 2004.

19 Redeemable at holder's option on October 28, 2000. Callable on October 28, 1993 and thereafter at 103% reducing to 100% from October 28, 1999 to October 28, 2000. The interest rate is effective until October 28, 2000; it will be reset by the Authority from October 29, 2000.

20 Callable on October 1, 1988 and annually thereafter at 101% reducing to 100.25% in 1991. Callable annually, also, upon the imposition of withholding taxes at 100.50% in 1988 reducing to 100% in 1991.

Ten Year Review — Combined Funds

THOUSANDS OF DOLLARS

	1987	1986	1985	1984
ASSETS				
Cash	$ 2,386	2,881	3,186	3,658
Receivables	1,276	1,768	1,627	1,724
Investments	137,517	139,174	100,676	92,076
Demand notes receivable from Regional Districts	85,140	82,611	80,243	77,863
Loans to Regional Districts	1,124,501	1,127,662	1,122,746	1,127,416
Deferred receivables from Regional Districts	2,183	14,122	19,318	21,573
Unamortized issue and refunding costs	3,918	3,099	2,066	1,100
Total assets	$ 1,356,921	1,371,317	1,329,862	1,325,410
LIABILITIES AND SURPLUS				
Accounts payable and unpresented matured debt	$ 690	1,945	2,256	2,507
Due to banks	—	—	1,455	4,939
Due to sinking and other funds	3,200	3,993	6,363	464
Reserves for information systems enhancement	102	115	92	66
Due to Regional Districts	125,206	115,338	112,320	108,430
Long-term debt, net	1,120,800	1,152,767	1,132,875	1,147,629
Total liabilities	1,249,998	1,274,158	1,255,361	1,264,035
Surplus	106,923	97,159	74,501	61,375
Total liabilities and surplus	$ 1,356,921	1,371,317	1,329,862	1,325,410
REVENUE				
Prior year's surplus appropriated	$ 65,556	36,625	30,711	25,416
Operating levy	253	360	361	351
Recoveries from new issues	87	86	82	190
Gains on purchases of own debentures	471	212	1,031	2,207
Interest from investments (including sinking funds)	21,862	19,633	16,980	15,107
Interest from loans to Regional Districts	144,410	144,234	144,557	137,420
Recovery of deficiencies from Regional Districts	7,130	3,237	489	735
Allocations from Regional Districts	—	—	—	—
Other	1,812	1,859	506	184
Total revenue	241,581	206,246	194,717	181,610
EXPENDITURE				
Legislative	48	47	53	57
Administrative	466	477	473	467
Interest	137,521	140,009	146,027	138,879
Amortization of issue and refunding costs	540	353	403	213
Allocations to Regional Districts	9,379	5,707	3,605	3,903
Other	18,307	370	319	82
Total expenditure	166,261	146,963	150,880	143,601
Excess of revenue over expenditure for the year	75,320	59,283	43,837	38,009
Surplus at beginning of the year not appropriated to current revenue	31,603	37,876	30,664	23,366
Surplus at end of the year	$ 106,923	97,159	74,501	61,375

1983	1982	1981	1980	1979	1978
1,749	2,348	415	633	383	201
1,951	1,226	992	589	662	1,862
70,968	49,611	39,863	30,540	27,883	18,993
71,867	61,703	48,906	37,374	27,686	22,467
1,074,500	939,718	787,185	659,338	524,094	450,270
21,573	21,573	21,573	21,787	22,167	23,055
1,312	1,525	1,555	1,612	1,714	1,464
1,243,920	1,077,704	900,489	751,873	604,589	518,312
2,697	2,012	202	473	212	94
4,615	2,380	14,760	2,684	—	972
564	1,302	—	2,831	—	—
109	75	45	25	78	44
97,805	83,411	65,903	50,186	36,957	29,945
1,089,348	950,432	792,509	679,886	557,492	481,337
1,195,138	1,039,612	873,419	736,085	594,739	512,392
48,782	38,092	27,070	15,788	9,850	5,920
1,243,920	1,077,704	900,489	751,873	604,589	518,312
20,985	15,772	10,945	8,329	5,164	4,637
350	352	309	270	225	205
65	62	55	48	39	36
2,459	4,674	6,351	2,921	503	244
11,381	9,380	6,173	3,989	2,766	1,880
121,061	98,158	78,144	56,434	44,360	37,975
201	486	1,050	1,662	1,666	664
—	—	—	—	—	115
205	664	46	—	—	—
156,707	129,548	103,073	73,653	54,723	45,756
48	51	44	48	43	40
352	340	313	240	228	205
121,681	98,964	77,175	56,050	42,807	38,675
213	248	286	342	328	1,071
2,675	3,113	3,036	2,512	1,909	—
63	37	(8)	195	314	221
125,032	102,753	80,846	59,387	45,629	40,212
31,675	26,795	22,227	14,266	9,094	5,544
17,107	11,297	4,843	1,522	756	376
48,782	38,092	27,070	15,788	9,850	5,920

MUNICIPAL FINANCE AUTHORITY OF BRITISH COLUMBIA

Canadian Dollar Bonds Issued in Canada

ISSUE/ SERIES	DESCRIPTION	DATED	AUTHORIZED $(000)	OUTSTANDING DECEMBER 31, 1987 $(000)	INTEREST
2	7.75% Serial Debentures due December 1, 1972-1996	December 1, 1971	1,259	550	Semi-annual June 1 December 1
3	7.75% Sinking Fund Debentures due March 1, 1992	March 1, 1972	1,675	1,675	Semi-annual March 1 September 1
	7.75% Sinking Fund Debentures due March 1, 1997	"	2,575	2,575	"
6	8.125% Serial Debentures due June 1, 1984-1993	June 1, 1973	8,727	6,022	Semi-annual June 1 December 1
7	9% Instalment Debentures due March 1, 1985-1989	March 1, 1974	887	397	Semi-annual March 1 September 1
	9% Sinking Fund Debentures due March 1, 1994	"	6,462	6,462	"
9	9% Sinking Fund Debenture due April 16, 1994	April 16, 1974	6,800	6,800	Semi-annual April 16 October 16
11	10.75% Instalment Debentures due September 3, 1985-1994	September 3, 1974	5,000	3,500	Semi-annual March 3 September 3
16	10.75% Sinking Fund Debentures due September 2, 1995	September 2, 1975	5,000	5,000	Semi-annual March 2 September 2
20	9.875% Sinking Fund Debentures due June 1, 1997	June 15, 1977	20,000	20,000	Semi-annual June 1 December 1

DENOMINATIONS	CALL	SINKING FUND OR MATURITIES NEXT 5 YEARS $(000)	RETRACTION OR EXTENSION	REGISTRAR AND TRANSFER AGENT
Coupon—$1,000	Non-callable	1988—77 1989—83 1990—90 1991—97 1992—35	N A	Municipal Finance Authority of British Columbia 200-880 Douglas St. Victoria, B.C. V8W 2B7
Coupon—$1,000	Non-callable	Annual deposits 1983-1992	N A	Municipal Finance Authority of British Columbia 200-880 Douglas St. Victoria, B.C. V8W 2B7
"	"	Annual deposits 1983-1997	"	
Coupon—$1,000	Non-callable	1988— 819 1989— 886 1990— 956 1991—1,034 1992—1,119	N A	Municipal Finance Authority of British Columbia 200-880 Douglas St. Victoria, B.C. V8W 2B7
Coupon—$1,000 Fully registered $1,000 and multiples thereof. Exchangeable	Non-callable	1988—192 1989—205	N A	Municipal Finance Authority of British Columbia 200-880 Douglas St. Victoria, B.C. V8W 2B7
"	"	Annual deposits 1975-1994	"	
Fully registered	Non-callable	Annual deposits 1975-1994	N A	Municipal Finance Authority of British Columbia 200-880 Douglas St. Victoria, B.C. V8W 2B7
Fully registered	Non-callable	1988—500 1989—500 1990—500 1991—500 1992—500	N A	Municipal Finance Authority of British Columbia 200-880 Douglas St. Victoria, B.C. V8W 2B7
Fully registered	Non-callable	Annual deposits 1986-1995	N A	Municipal Finance Authority of British Columbia 200-880 Douglas St. Victoria, B.C. V8W 2B7
Coupon—$1,000 Coupon—$5,000 Coupon—$25,000 Fully registered $1,000 and multiples thereof. Exchangeable	Non-callable	Annual deposits 1978-1997	N A	Municipal Finance Authority of British Columbia 200-880 Douglas St. Victoria, B.C. V8W 2B7

continued

MUNICIPAL FINANCE AUTHORITY OF BRITISH COLUMBIA

Canadian Dollar Bonds Issued in Canada

ISSUE/ SERIES	DESCRIPTION	DATED	AUTHORIZED $(000)	OUTSTANDING DECEMBER 31, 1987 $(000)	INTEREST
21	9.25% Serial Debentures due December 1, 1988-1992	December 1, 1977	961	961	Semi-annual June 1 December 1
	9.50% Sinking Fund Debentures due December 1, 1997	"	33,500	33,500	"
	9.50% Sinking Fund Debentures due December 1, 2002	"	7,000	7,000	"
23	9.50% Serial Debentures due November 15, 1984-1988	November 15, 1978	1,150	274	Semi-annual May 15 November 15
	9.625% Serial Debentures due November 15, 1989-1993	"	890	890	"
	9.95% Sinking Fund Debentures due November 15, 1998	"	30,000	30,000	"
A23	9.95% Sinking Fund Debentures due November 15, 1998	November 15, 1978	6,735	6,735	Semi-annual May 15 November 15
	10% Sinking Fund Debentures due November 15, 2003	"	3,265	3,265	"
A24	7.75%-8.75% Serial Debentures due May 15, 1988-1994	May 15, 1987	14,000	14,000	Semi-annual May 15 November 15
25	12.25% Sinking Fund Debentures due December 6, 1999	December 6, 1979	54,100	43,700	Semi-annual June 6 December 6

DENOMINATIONS	CALL	SINKING FUND OR MATURITIES NEXT 5 YEARS $(000)	RETRACTION OR EXTENSION	REGISTRAR AND TRANSFER AGENT
Coupon—$1,000 Fully registered $1,000 and multiples thereof. Exchangeable	Non-callable	1988—160 1989—175 1890—191 1991—208 1992—227	N A	Municipal Finance Authority of British Columbia 200-880 Douglas St. Victoria, B.C. V8W 2B7
Coupon—$1,000 Coupon—$5,000 Coupon—$25,000 Fully registered $1,000 and multiples thereof. Exchangeable	"	Annual deposits 1978-1997	"	
"	"	Annual deposits 1978-2002	"	
Coupon—$1,000 Fully registered $1,000 and multiples thereof. Exchangeable	Non-callable	1988—274	N A	Municipal Finance Authority of British Columbia 200-880 Douglas St. Victoria, B.C. V8W 2B7
"	"	1989—147 1990—161 1991—177 1992—193	"	
Coupon—$1,000 Coupon—$5,000 Coupon—$25,000 Fully registered $1,000 and multiples thereof. Exchangeable	"	Annual deposits 1979-1998	"	
Fully registered $1,000 and multiples thereof	Non-callable	Annual deposits 1979-1998	N A	Municipal Finance Authority of British Columbia 200-880 Douglas St. Victoria, B.C. V8W 2B7
"	"	Annual deposits 1979-2003	"	
Fully registered $1,000 and multiples thereof	Non-callable	1988—1,400 1989—1,600 1990—1,800 1991—2,000 1992—2,200	N A	Municipal Finance Authority of British Columbia 200-880 Douglas St. Victoria, B.C. V8W 2B7 Guaranty Trust Company of Canada 800 West Pender St. Vancouver, B.C. V6C 2V7 88 University Ave. Toronto, Ontario M5J 1T8
Coupon—$1,000 Coupon—$5,000 Coupon—$25,000 Fully registered $1,000 and multiples thereof. Exchangeable	Callable at par on or after Dec. 6, 1994. Callable also for sinking fund purposes	1988—2,100 1989—2,300 1990—2,300 1991—2,500 1992—2,800	N A	Municipal Finance Authority of British Columbia 200-880 Douglas St. Victoria, B.C. V8W 2B7

continued

MUNICIPAL FINANCE AUTHORITY OF BRITISH COLUMBIA

Canadian Dollar Bonds Issued in Canada

ISSUE/ SERIES	DESCRIPTION	DATED	AUTHORIZED $(000)	OUTSTANDING DECEMBER 31, 1987 $(000)	INTEREST
26	12.25% Sinking Fund Debentures due December 6, 2004	December 6, 1979	11,133	11,133	Semi-annual June 6 December 6
A29	14% Bonds due April 29, 2001	April 29, 1986	91,362	91,362	Semi-annual April 29 October 29
32	13.625% Bonds due October 27, 1988	October 27, 1982	100,000	100,000	Semi-annual April 27 October 27
33	12.375% Sinking Fund Debentures due June 15, 2003	June 15, 1983	63,300	63,300	Semi-annual June 15 December 15
34	12% Bonds due November 22, 1993	December 15, 1983	58,000	58,000	Semi-annual May 22 November 22
35	12.625% Retractable Debentures due May 15, 1990	May 15, 1984	60,300	60,298	Semi-annual May 15 November 15
36	13% Sinking Fund Debentures due December 5, 2004	December 5, 1984	30,500	30,500	Semi-annual June 5 December 5

DENOMINATIONS	CALL	SINKING FUND OR MATURITIES NEXT 5 YEARS $(000)	RETRACTION OR EXTENSION	REGISTRAR AND TRANSFER AGENT
Fully registered $1,000 and multiples thereof	Callable at par on or after Dec. 6, 1997	Annual deposits 1980-2004	N A	Municipal Finance Authority of British Columbia 200-880 Douglas St. Victoria, B.C. V8W 2B7
Coupon—$1,000 Coupon—$25,000 Coupon—$100,000 Fully registered $1,000 and multiples thereof. Exchangeable	Non-callable	None	N A	Municipal Finance Authority of British Columbia 200-880 Douglas St. Victoria, B.C. V8W 2B7
Coupon—$1,000 Coupon—$25,000 Coupon—$100,000 Fully registered $1,000 and multiples thereof. Exchangeable	Non-callable	None	N A	Municipal Finance Authority of British Columbia 200-880 Douglas St. Victoria, B.C. V8W 2B7
Coupon—$1,000 Coupon—$25,000 Coupon—$100,000 Fully registered $1,000 and multiples thereof. Exchangeable	Non-callable except for sinking fund purposes	Sinking fund will begin in 1994	N A	Municipal Finance Authority of British Columbia 200-880 Douglas St. Victoria, B.C. V8W 2B7
Coupon—$1,000 Coupon—$25,000 Coupon—$100,000 Fully registered $1,000 and multiples thereof. Exchangeable	Non-callable	None	N A	Municipal Finance Authority of British Columbia 200-880 Douglas St. Victoria, B.C. V8W 2B7
Coupon—$1,000 Coupon—$25,000 Coupon—$100,000 Fully registered $1,000 and multiples thereof. Exchangeable	Non-callable	None	Retractable at holder's option on May 15, 1987. Right may be exercised after November 15, 1986 and prior to February 18, 1987	Municipal Finance Authority of British Columbia 200-880 Douglas St. Victoria, B.C. V8W 2B7
Coupon—$1,000 Coupon—$25,000 Coupon—$100,000 Fully registered $1,000 and multiples thereof. Exchangeable	Callable at par on or after December 5, 1999	Annual deposits 1985-2004	N A	Municipal Finance Authority of British Columbia 200-880 Douglas St. Victoria, B.C. V8W 2B7

continued

MUNICIPAL FINANCE AUTHORITY OF BRITISH COLUMBIA

Canadian Dollar Bonds Issued in Canada

ISSUE/ SERIES	DESCRIPTION	DATED	AUTHORIZED $(000)	OUTSTANDING DECEMBER 31, 1987 $(000)	INTEREST
CA	12% Sinking Fund Debentures due June 12, 2005	June 12, 1985	21,800	21,800	Semi-annual June 12 December 12
CB	11% Debentures due December 12, 2005	December 12, 1985	15,500	15,500	Semi-annual June 12 December 12
40	9%-9.50% Serial Debentures due October 23, 1987-1991	October 23, 1986	5,600	1,180	Semi-annual April 23 October 23
CC	10.125% Debentures due October 23, 2006	"	26,000	26,000	"
42	9%-9.50% Serial Debentures due July 30, 1988-1992	July 30, 1987	21,000	21,000	Semi-annual January 30 July 30
CD	10% Debentures due July 30, 1997	"	90,000	90,000	"
CE	11.25% Debentures due November 15, 1992	November 17, 1987	33,000	33,000	Semi-annual May 15 November 15

DENOMINATIONS	CALL	SINKING FUND OR MATURITIES NEXT 5 YEARS $(000)	RETRACTION OR EXTENSION	REGISTRAR AND TRANSFER AGENT
Coupon—$1,000 Coupon—$25,000 Coupon—$100,000 Fully registered $1,000 and multiples thereof. Exchangeable	Callable at par on or after June 12, 2000	Annual deposits 1986-2005	N A	Municipal Finance Authority of British Columbia 200-880 Douglas St. Victoria, B.C. V8W 2B7
Coupon—$1,000 Coupon—$25,000 Coupon—$100,000 Fully registered $1,000 and multiples thereof. Exchangeable	Callable at par on or after December 12, 2000	None	N A	Municipal Finance Authority of British Columbia 200-880 Douglas St. Victoria, B.C. V8W 2B7 Guaranty Trust Company of Canada 800 West Pender St. Vancouver, B.C. V6C 2V7 88 University Ave. Toronto, Ontario M5J 1T8
Fully registered $1,000 and multiples thereof	Non-callable	1988—1,120 1989—1,120 1990—1,120 1991—1,120	N A	Municipal Finance Authority of British Columbia 200-880 Douglas St. Victoria, B.C. V9W 2B7
"	Callable at par on or after October 23, 2003	None	"	Guaranty Trust Company of Canada 800 West Pender St. Vancouver, B.C. V6C 2V7 88 University Ave. Toronto, Ontario M5J 1T8
Fully registered $1,000 and multiples thereof	Non-callable	1988—3,500 1989—3,800 1990—4,200 1991—4,500 1992—5,000	N A	Municipal Finance Authority of British Columbia 200-880 Douglas St. Victoria, B.C. V9W 2B7
"	"	None	"	Guaranty Trust Company of Canada 800 West Pender St. Vancouver, B.C. V6C 2V7 88 University Ave. Toronto, Ontario M5J 1T8
Fully registered $1,000 and multiples thereof	Non-callable	None	N A	Municipal Finance Authority of British Columbia 200-880 Douglas St. Victoria, B.C. V9W 2B7 Guaranty Trust Company of Canada 800 West Pender St. Vancouver, B.C. V6C 2V7 88 University Ave. Toronto, Ontario M5J 1T6

MUNICIPAL FINANCE AUTHORITY OF BRITISH COLUMBIA

Canadian Dollar Bonds Issued in Europe

ISSUE/ SERIES	DESCRIPTION	DATED	AUTHORIZED $(000)	OUTSTANDING DECEMBER 31, 1987 $(000)	INTEREST
20	9% Bonds due June 1, 1985-1997	June 1, 1977	25,000	5,341	Annual June 1
33	11.75% Bonds due June 15, 1993	June 15, 1983	25,000	17,873	Annual June 15
EB	9.375% Bonds due June 2, 2001	June 2, 1986	65,500	65,500	Annual June 2

DENOMINATIONS	CALL	SINKING FUND NEXT 5 YEARS $(000)	RETRACTION	PRINCIPAL PAYING AGENT/TRUSTEE/ STOCK EXCHANGE LISTING
Coupon—$1,000	Non-callable except upon imposition of withholding taxes	None	Retractable at par at option of holder on June 1, 1985, 1988, 1991 or 1994. Right may be exercised not more than 360 or less than 90 days prior to June 1	Kredietbank S.A. Luxembourgeoise Luxembourg. Finimtrust S.A. Luxembourg. Luxembourg Stock Exchange Luxembourg
Coupon—$1,000 Fully registered $1,000 and multiples thereof. Exchangeable	Non-callable except for sinking fund purposes or upon imposition of withholding taxes	1988—2,327 1989—2,507 1990—2,757 1991—3,075 1992—3,428	N.A.	Kredietbank S.A. Luxembourgeoise Luxembourg. Finimtrust S.A. Luxembourg. Luxembourg Stock Exchange Luxembourg
Coupon—$1,000	Non-callable except upon imposition of withholding taxes	None	N.A.	Kredietbank S.A. Luxembourgeoise Luxembourg. Luxembourg Stock Exchange Luxembourg

MUNICIPAL FINANCE AUTHORITY OF BRITISH COLUMBIA

U.S. Dollar Bonds Issued in the United States

ISSUE/ SERIES	DESCRIPTION	DATED	AUTHORIZED U.S. $(000)	OUTSTANDING DECEMBER 31, 1987 U.S. $(000)	INTEREST
1	8.375% Sinking Fund Debentures due October 1, 1996	October 1, 1971	20,000	8,776	Semi-annual April 1 October 1
12	9.75% Sinking Fund Debentures due January 15, 2000	January 15, 1975	34,500	16,633	Semi-annual January 15 July 15
17	9.875% Sinking Fund Debentures due November 1, 2000	November 1, 1975	37,000	21,510	Semi-annual May 1 November 1
18	8.875% Sinking Fund Debentures due May 1, 2001	May 1, 1976	52,500	29,986	Semi-annual May 1 November 1

DENOMINATIONS	CALL	SINKING FUND NEXT 5 YEARS U.S. $(000)	AUTHENTICATING AND PAYING AGENT
Fully registered U.S. $1,000 and multiples thereof	Non-callable except for sinking fund purposes	1988—1,246 1989—1,350 1990—1,463 1991—1,585 1992— 567	Bank of Montreal Trust Company 2 Wall Street New York, N.Y. 10005
Fully registered U.S. $1,000 and multiples thereof	Non-callable except for sinking fund purposes prior to Jan. 15, 1990. To Jan. 15, 1993 —103.50% To Jan. 15, 1996 —102.25% To Jan. 15, 1999 —101%	1988—1,509 1989—1,657 1990—1,819 1991—1,725 1992—1,893	Bank of Montreal Trust Company 2 Wall Street New York, N.Y. 10005
Fully registered U.S. $1,000 and multiples thereof	Non-callable except for sinking fund purposes prior to Nov. 1, 1990. To Nov. 1, 1993 —103.25% To Nov. 1, 1996 —101.75% To Nov. 1, 1998 —100.75%	1988—1,873 1989—2,059 1990—2,262 1991—2,290 1992—2,517	Bank of Montreal Trust Company 2 Wall Street New York, N.Y. 10005
Fully registered U.S. $1,000 and multiples thereof	Non-callable except for sinking fund purposes prior to May 1, 1991. To May 1, 1994 —102.75% To May 1, 1997 —101.50% To May 1, 1999 —100.75%	1988—2,310 1989—2,515 1990—2,738 1991—2,981 1992—2,960	Bank of Montreal Trust Company 2 Wall Street New York, N.Y. 10005

continued

MUNICIPAL FINANCE AUTHORITY OF BRITISH COLUMBIA

U.S. Dollar Bonds Issued in the United States

ISSUE/ SERIES	DESCRIPTION	DATED	AUTHORIZED U.S. $(000)	OUTSTANDING DECEMBER 31, 1987 U.S. $(000)	INTEREST
19	8.75% Sinking Fund Debentures due October 15, 2001	October 15, 1976	50,000	36,842	Semi-annual April 15 October 15
22	9.25% Sinking Fund Debentures due June 1, 1998	June 1, 1978	29,363	22,370	Semi-annual June 1 December 1
	9.375% Sinking Fund Debentures due June 1, 2003	"	4,737	4,039	"
28	13.75% Sinking Fund Debentures due December 1, 2005	December 1, 1980	90,000	78,320	Semi-annual June 1 December 1

DENOMINATIONS	CALL	SINKING FUND NEXT 5 YEARS U.S. $(000)	AUTHENTICATING AND PAYING AGENT
Fully registered U.S. $1,000 and multiples thereof	Non-callable except for sinking fund purposes prior to Oct. 15, 1991. To Oct. 15, 1994 —102.75% To Oct. 15, 1997 —101.625% To Oct. 15, 1999 —100.625%	1988—2,801 1989—3,045 1990—3,308 1991—3,595 1992—3,890	Bank of Montreal Trust Company 2 Wall Street New York, N.Y. 10005
Fully registered U.S. $1,000 and multiples thereof	Non-callable except for sinking fund purposes. Optional redemption— Tenders may be called from all holders	1988—1,178 1989—1,210 1990—1,322 1991—1,983 1992—2,166	Bank of Montreal Trust Company 2 Wall Street New York, N.Y. 10005
"	"	1988— 118 1989— 130 1990— 141 1991— 155 1992— 170	
Fully registered U.S. $1,000 and multiples thereof	Non-callable except for sinking fund purposes prior to Dec. 1, 1995. On Dec. 1, 1995 and thereafter at 105.02% declining by 0.56% on each Dec. 1, to 100% on or after Dec. 1, 2004	1988—2,660 1989—3,027 1990—3,445 1991—3,193 1992—3,633	Bank of Montreal Trust Company 2 Wall Street New York, N.Y. 10005

MUNICIPAL FINANCE AUTHORITY OF BRITISH COLUMBIA

U.S. Dollar Bonds Issued in Europe

ISSUE/ SERIES	DESCRIPTION	DATED	AUTHORIZED U.S. $(000)	OUTSTANDING DECEMBER 31, 1987 U.S. $(000)	INTEREST
EA	Retractable Bonds due October 28, 2000/2005	October 28, 1985	50,000	48,000	Annual October 28 Rate 11.25% until October, 2000. Rate will be reset from October 29, 2000

DENOMINATIONS	CALL	SINKING FUND NEXT 5 YEARS U.S. $(000)	RETRACTION	FISCAL AGENT/ STOCK EXCHANGE LISTING
Coupon— U.S. $1,000 U.S. $5,000	Callable on October 28, 1993 and thereafter at 103% declining by 0.50% on each October 28, to 100% on or after October 28, 1999	None	Retractable at par at option of holder on October 28, 2000. Right may be exercised not more than 30 days or less than 15 days prior to October 28, 2000	Kredietbank S.A. Luxembourgeoise Luxembourg. Luxembourg Stock Exchange Luxembourg